

THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2020

Company Limited by Guarantee
Registration Number: 08422015
(England & Wales)

CONTENTS

	Page
Reference and Administrative Information	3
Directors' Report	6
Governance Statement	18
Statement on Regularity, Propriety and Compliance	21
Statement of Directors' and Trustees' Responsibilities	22
Independent Auditor's Report on the Financial Statements	23
Independent Reporting Accountant's Report on Regularity	26
Statement of Financial Activities	28
Balance Sheet	29
Statement of Cash Flows	30
Notes to the Financial Statements	31

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, MEMBERS, DIRECTORS, TRUSTEES AND ADVISORS**Members**

The Right Reverend Bishop C Cocksworth
 R E Marlow
 P E Law (resigned 31 December 2019)
 C L Wainscot (resigned 31 August 2020)
 E Scrivens (resigned 25 September 2020)
 M Draper
 R Pogson
 P J Whitfield (appointed 31 December 2019)
 Venerable B Dugmore (appointed 16 October 2020)
 A Gold (appointed 1 September 2020)
 C Edwards (appointed 24 September 2020)

Directors and Trustees

P E Law - Chair (resigned 31 December 2019)
 R T A Medwell
 I C Dewes
 M Coalter
 R E Marlow
 A R Armbrister (resigned 31 December 2019)
 M J Cowland - Chief Executive Officer
 J Slack (resigned 18 July 2020)
 P J Whitfield - Chair (appointed as Chair 31 December 2019)
 P Grieves-Smith (appointed 5 March 2020)
 J Wade (resigned 3 October 2019)

Company Secretary

J R Baker (resigned 31 December 2019)

Central MAT - Senior Management Team
Chief Executive Officer

M J Cowland

Head of Education

L Nash

Head of Human Resources

C Salter

Head of Finance

M Nisbet

Head of Operations

J Baker (resigned 31 December 2019)

Head of Operations and Compliance

L Beale (appointed 1 September 2020)

Principal Address

Diocese of Coventry Multi-Academy Trust
 The Benn Education Centre
 Craven Road
 Rugby
 CV21 3JZ

Academy Addresses

Stretton Church of England Academy
 Stretton Avenue
 Willenhall
 Coventry
 CV3 3AE

 St Laurence's Church of England Primary School
 Old Church Road
 Coventry
 CV6 7ED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, MEMBERS, DIRECTORS, TRUSTEES AND ADVISORS (cont'd)**Academy Addresses (cont'd)**

St Bartholomew's Church of England Academy
Bredon Avenue
Coventry
CV3 2LP

Queens Church of England Academy
Bentley Road
Nuneaton
CV11 5LR

Harris Church of England Academy
Harris Drive
Rugby
CV22 6EA

St James Church of England Academy
Barbridge Road
Bulkington
CV12 9PF

St Nicolas Church of England Academy
Windermere Avenue
Nuneaton
CV11 6HJ

Studley St Mary's Church of England Academy
New Road
Studley
B80 7ND

St John's Church of England Academy
Winsford Avenue
Coventry
CV5 9HZ

St Michael's Church of England Academy
Hazel Grove
Bedworth
Warwickshire
CV12 9DA

St Oswald's Church of England Academy
Addison Road
Rugby
Warwickshire
CV22 7DJ

Leamington Hastings Church of England Academy
Birdingbury Road
Hill
Leamington Hastings
Rugby
Warwickshire
CV23 8EA

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, MEMBERS, DIRECTORS, TRUSTEES AND ADVISORS (cont'd)**Academy Addresses (cont'd)**

Leigh Church of England Academy
71 Plants Hill Crescent
Coventry
CV4 9RQ

Salford Priors Church of England Academy
School Road
Salford Priors
Evesham
WR11 8XD

All Saints Church Of England Primary School
Warwick Road
Leek Wootton
Warwick
CV35 7QR

Burton Green CofE (VC) Primary School
Hob Lane
Burton Green
Coventry
CV8 1QB

Long Itchington Church of England Academy
Stockton Road
Long Itchington
Southam
CV47 9QP

Southam St James Church of England Academy
Tollgate Road
Southam
CV47 1EE

Registered Office

The Benn Education Centre
Craven Road
Rugby
CV21 3JZ

Company Registration Number

8422015

Independent Auditor

UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Diocese of Coventry Multi Academy Trust (DMAT) is a charity established to provide a home for schools in the Diocese of Coventry who wish to convert to academy status or who are compelled by the Government to convert. There were eighteen academies in DMAT as at 31 August 2020.

The Directors who are also the Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Directors' report, and a directors' report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The directors of DMAT are also the trustees of the charitable company for the purposes of charity law. The charitable company operates as Diocese of Coventry Multi Academy Trust.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member of, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Directors' Indemnities

Directors benefit from indemnity insurance to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Multi Academy Trust. The cost of this insurance is combined with the main policy.

Method of Recruitment and Appointment or Election of Directors

The management of the Academy Trust is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Directors

The Trust are in the process of recruiting a number of additional Directors to the Board. The induction process for new Directors is currently being reviewed and improved.

Organisational Structure

The management structure consists of the Members, the Directors, the Local Governing Boards, the Senior Management team and the Headteachers.

The aim of the management structure is to devolve responsibility to academy Local Governing Boards built on a system of earned autonomy based around the Schemes of Delegation. The Chief Executive of the Multi Academy Trust is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

While it is recognised that the trust must remain competitive in order to attract the best staff, Directors are ever conscious of affordability. Directors benchmark the pay and remuneration of key management personnel in various ways. This includes comparing trust salaries with other diocesan trusts of a similar size, speaking to recruiters and aligning pay with performance. The process was strengthened in the past year following the establishment of a People & Pay Committee, one of the crucial roles of the committee is to review and approve the pay recommendations of key management personnel.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Trade Union facility time****Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
Nil	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	£19,861,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	Nil%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	Nil hours
--	-----------

Engagement with employees (including disabled persons)

The Diocese of Coventry Multi Academy Trust has engaged with all employees by regularly providing employees with information on matters of concern to them. Engagement with employees has been especially important during the COVID19 pandemic. All of our employees in all of our academies were involved in the development of site specific risk assessments, Headteachers engage everyone in their academies and the Chief Executive Officer emailed all staff in the trust to thank them for their contribution during such difficult circumstances. However, we are not resting on our laurels and we will be launching an all staff survey in the new academic year as we drive towards becoming an Employer of Choice, a key priority in our 2020 - 2023 Strategic Plan providing employees with information on matters of concern to them.

Specifically, it is trust policy to treat applications for employment from disabled persons with care. Shortlisting managers will be made aware if an applicant has a disability and all those applicants who meet the essential criteria will be interviewed. However, the nature of the disability will not be disclosed. The trust treats disabled employees and those who become disabled fairly and equally.

Engagement with suppliers, customers and others in a business relationship with the trust

Early in the year the trust identified 1,000 active suppliers and recognised that 50% of our total non salary expenditure is with only 16 of them. The list includes Local Authorities, catering companies, stationery suppliers, ICT providers, supply agencies and construction companies. As a result, we have made personal contact with them all to foster a strategic relationship whereby we work with them as partners to design services that best fit our shared objectives.

Related Parties and other Connected Charities and Organisations

DMAT's sponsor is the Diocese of Coventry

OBJECTIVES AND ACTIVITIES**Objects and Aims**

DMAT's object is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools with a designated Church of England religious character ("the Academies") offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the relevant funding agreement), and in having regard to the advice of the Diocesan Board of Education.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Objectives, Strategies and Activities**

DMAT aims to establish a network of successful academies within the Diocese of Coventry, which provide a high quality of education for our children. The trust aims to build a better future for all within our academies who in turn will positively impact their communities. DMAT's vision is Together, pursuing life in all its fullness (John 10:10).

DMAT's first academy opened in April 2013 with one more following that academic year. Sixteen further academies opened between September 2013 and August 2019. DMAT will continue to work with local authorities, the Government and individual schools to raise the standards of education within the Diocese of Coventry.

The Board of Directors approved a Strategic Plan for 2020 – 2023 with the following key objectives:

- Deliver **Excellent Education**
- Ensure **Strong & Effective Governance** at all levels
- Build a **Strong & Sustainable Infrastructure**
- Become an **Employer of Choice**
- Drive **Sustainable Growth**

Public Benefit

The Directors confirm they have referred to the Charity Commission's guidance on Public Benefit when reviewing DMAT's aims and objectives and in planning future activities for the year.

Achievements and Performance

This is the sixth year of operation of Diocese of Coventry Multi Academy Trust; the annual report covers the period from 1 September 2019 to 31 August 2020.

All of our academies fall within Warwickshire and Coventry local authority areas and therefore the West Midlands Regional Schools Commissioner.

ACHIEVEMENTS AND PERFORMANCE**Strategic developments 2019/2020:**

As with most organisations across the world, the trust was shaken by the COVID19 pandemic. Our Board, Local Governors, Headteachers, Central team and academy based staff pulled together and showed superb resilience and utter commitment to ensure all of our academies remained open for children of critical workers and vulnerable children from day one of lockdown. All children received work at home while those in the academies continued to receive a Christian education in the safest possible environment. Our academies were back open for a wider range of children from 1 June, in line with the government's ambition. We worked successfully with trade unions, our Health & Safety advisors, our local governors, our academy and central staff and our parents to ensure no child was forgotten and everyone on site was as safe as possible. Nobody should underestimate how difficult this was and we are proud of how we are pulling together to manage education during the pandemic. We would like to take this opportunity to thank everyone involved in the immense effort.

Despite the distraction of a worldwide pandemic, a notable strategic development was the approval of a three year Strategic Plan for the trust. This contains some ambitious goals, particularly in year 1 as we drive to achieve the five key objectives of:

- Deliver **Excellent Education**
- Ensure **Strong & Effective Governance** at all levels
- Build a **Strong & Sustainable Infrastructure**
- Become an **Employer of Choice**
- Drive **Sustainable Growth**

The Board also confirmed the future approaches for educational and non education services:

- 1 Teaching and learning: Collaborative, concentrated and adaptive
- 2 Non educational back office support: Centralised, concentrated and adaptive

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Strategic developments 2019/2020: (cont'd)**

Actions have already been taken towards this approach whereby the back office support (including finance, human resources and operations) for seven academies has been centralised and the role of Operations Administrator in the affected academies has been standardised. Post holders have been recruited, implementation guides have been written and office accommodation has been sourced at one of our academies. This initiative, which begins on 1 September 2020, is designed to enable the Headteachers in these academies to focus on teaching and learning (Excellent Education) while the central team has a greater understanding and confidence in compliance (Strong & Sustainable Infrastructure). The academies involved in this cluster are:

- All Saints CE Academy
- Burton Green CE Academy
- Leigh CE Academy
- St Bartholomew's CE Academy
- St John's CE Academy
- Salford Priors CE Academy
- Stretton CE Academy

The Board was sorry to lose the services of Peter Law, Andrew Armbrister, John Wade and Jason Slack during the year but were pleased to welcome Peter Grieves-Smith to the Board. Mr Grieves-Smith brings a wealth of knowledge and experience as a practicing Barrister. The Board is now working hard to identify and appoint additional Directors with the skills and experiences needed to run a diocesan multi academy trust the size of this one.

Despite the loss of Board members, as a commitment to Strong & Effective Governance at all levels, the Board strengthened its governance structure by forming three committees, each with approved Terms of Reference. These committees are:

- Business & Finance Committee, chaired by Paula Whitfield
- Education & Ethos Committee, chaired by Ian Dewes
- People & Pay Committee, chaired by Mandy Coalter

The trust made a successful external Headteacher appointment for Studley St Mary's CE Academy and are looking forward to the new postholder building on the successes of her predecessor. The Board was particularly pleased to make an internal Headteacher appointment for Leigh CE Academy and add to this appointment by facilitating a 12 month contract with an experienced Consultant Headteacher. It is expected this support will enable the new Headteacher to rapidly improve teaching and learning for the children at Leigh CE Academy.

In addition to strengthening leadership in the academies the Board also appointed into new central roles. These include an exciting internal appointment to the newly created Head of Operations & Compliance post, and external appointments to fill an additional HR Business Partner role and a new HR Administrator role, both of which will strengthen the human resources support available to the academies.

Recognising that the previous contract was reaching its renewal date, the Board tendered for trustwide Health and Safety support. In line with our aim of using local contractors wherever practical the trust appointed a partner whose registered office is only 25 miles from our own.

The total number of pupils the Trust currently educates is 4,400. This number of pupils means that DMAT received capital funding in the form of School Condition Allocation (SCA) directly from the Education Funding Agency to deploy strategically across our academies and address our priority maintenance and expansion needs. The trust was able to use its size and scale to run competitive tenders for groups of similar capital work as opposed to individual academy tenders. This resulted in the Board approving £1,424,000 of capital expenditure (comprising SCA and reserves) to be directed in the areas of greatest need. This is the largest annual capital investment in the trust's history.

Expansion:

During the academic/financial year 2020-21, DMAT plans to continue to expand to meet demand from schools. There is one school with an academy order to join the trust and two more where the governing board has voted to consult on joining. Under the objective of driving **Sustainable Growth**, the Board of Directors will continue to manage academy conversions to ensure that DMAT has the capacity to support schools joining the Trust and also to maintain a balance of sponsored and convertor academies. To ensure financial viability, attention will also be paid to the numbers of pupils on roll.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Educational Outcomes 2019****Trust Position: Ofsted:**

During the year 2019-20, Studley St Mary's received its second Ofsted inspection as an academy in the trust. It was judged RI two weeks in to the new EIF (Education Inspection Framework) but with more judgements of good than at the previous inspection, notably for leadership and management.

None of our academies received their first Ofsted inspection since joining the Trust. However, our track record of improving Ofsted judgements has been strong:

Ofsted grade on Joining the trust	
Outstanding	0
Good	8
Requires improvement	2
Inadequate	8

Ofsted grade in Autumn 2019*	
Outstanding	1
Good	12
Requires improvement	4
Inadequate	1

**includes grade of predecessor school if academy has not yet been inspected*

- 13 academies are now judged as good or better following Ofsted inspections in the Trust;
- Only 1 academy has an inadequate judgement, however this relates to the predecessor school. We await their first inspection as a DMAT academy;
- St Oswald's and Harris were both judged requires improvement while in DMAT, but for both that was an uplift and took them out of being classified as inadequate.
- The changes to Ofsted judgements in those academies that have been inspected whilst in the Trust. 1 school that was previously judged as 'Requires Improvement' has moved to 'Good' and 4 schools that were 'Inadequate' have also moved to 'Good' or 'Outstanding'.

The table below shows the Ofsted judgements for the whole Trust. This includes those academies that are still carrying a judgement pre-conversion.

Inadequate	RI	Good	Outstanding
1	4	12	1
(predecessor school)	(1 is a predecessor school)	(4 are predecessor schools)	(0 are predecessor schools)

The table below pulls out some key quotes from all Ofsted inspections in the trust since May 2018. Directors are working with trust leaders to focus on the areas in need of further improvement.

Harris CE Academy – 2020 predicted and actuals compared to 2019

Significant changes were made in English, Maths and Science with increased scrutiny of tier entries in Maths and Science as well as developments in pedagogical practices and an increase in data-informed targeted mentoring featuring the regular involvement of parents, the impact of which was tracked half termly.

Most grades remained the same as the Centre Assessed grades and Academy leaders were confident that they were a realistic forecast of what they believed students would have achieved. Supporting data, including qualitative and quantitative information was used to inform all figures, and everything was scrutinised and challenged.

Results comparison to last year: Overall, the largest increases were with the 5+ awards as seen across all subjects except English, where the 4+ measure increase was the largest. This is testimony to the targeted level 4-5 intervention and mentoring implemented across all subjects, and specifically in mathematics. In English, intervention was targeted at the levels 3 to 4 and the level 7s and above, where evidence shows that the intervention with the lower attaining students appears to have had the largest impact.

Across the school, the key groups: pupil premium, high achievers, and boys continue to be an area of focus, with increases in the 7+ group being less consistent and less significant than other measures. Students achieving 7+ has increased most significantly in the single sciences as a result of more appropriate matching of students to courses, though leaders are aiming to further improve this in 2020-21.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

High achieving boys are notable targets for 2020/21 as, in all but the maths and science subjects, their 7+ figure has increased on last year less than those of the girls, and in 3 cases, not at all, and in three other subjects appear to have done less well. Further analysis is confirming, clarifying and adding detail to this.

In the long term, Harris' 1-year curriculum model will assist with those, whom like this year, peak before year 11 after which they become less motivated as well as disillusioned. Further developments in mentoring and coaching in 2020/21 may assist further with improving outcomes for such students.

Although Harris had been contacted by SISRa urging caution in using A8 and P8 figures at this stage, leaders have had high hopes for this cohort from on entry and, considering the investment of time and resources; the restructuring and changes in leadership and the changes in teaching personnel, leaders were confident that these results are not dissimilar to those the students would have received had they sat their examinations in May and June.

In summary – the key focus groups continue to be pupil premium, high attainers and boys (particularly male high achievers).

The departments that most require ongoing support to further improve results are Science, Maths, Art, Music and Geography. RS achieved low results this year, but much of this can be attributed to a lack of specialist teaching for a significant proportion of year 11. Increased capacity in staffing and changes in department leadership and/or line management were in place for September 2020.

The strongest departments based on their consistency across headline figures are English, History, French, Computer Science and DBE, these also have relatively small cohorts.

	SUBJECT				
	English	Maths	English & Maths	A8 (ave total)	P8 (ave total)
4-9 2019 %	69	51	44	38.8	-0.43
2019 NAT%			64	46.7	-0.03
2020 School prediction %	77.4	77.4	70.4	46.02	0.219
2020 School actual	80.5	69.9	67.3		
5-9 2019 %	49.5	25	23		
2019 NAT %			43.2		
2020 School prediction %	60	50.4	41.7		
2020 School actual	51.3	49.6	42.5	47.57	0.42 (prov)

Primary, Junior and Infant Achievements

In March 2020, Directors appointed a new Headteacher Studley St Mary's who, due to Covid-19, took up post in November 2020. The deputy headteacher became acting headteacher and steered the school admirably through the COVID crisis with support from an able acting deputy and the Central Team.

The Head of School at Southam St James chose to take retirement a year earlier than originally planned due to COVID leaving an opportunity to review the leadership structure for the federation of the Long Itchington and Southam St James. In June 2020, the interim solution was for the Executive Headteacher to lead SSJ and the Head of School to lead Long Itchington.

In April, Directors appointed Lynn Lee to be the substantive Headteacher at Leigh with the support of a consultant headteacher, Allison Underhill, from St Andrew's Eastern Green for a maximum of one year.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

As we were not able to collect summative data in July 2020, we are unable to compare 2020 figures with 2019.

Overall, at the end of KS2 in 2019, combined outcomes were broadly in line with national expectations, even though there was a wide variance between academies.

In 2020, we expect our academies to aspire towards end of 2019 national outcomes in all phases but we are aware that starting points in September 2020, reported in October, were lower than they had been when schools closed in March 2020, creating a deficit for most schools in most subjects greater than they would normally expect at the start of the year.

We asked our academies to take the first half term of autumn 2020 to thoroughly assess pupil starting points through teaching rather than testing.

Our academies have calculated targets for the end of the year for all year groups based on the number of children who were working around the level they would normally expect, the number who were not too far below that level who will progress well with consistently good teaching and the number who will be having targeted catch up provision.

Academies have been aspirational in their target setting but in the light of the continued interruptions for individuals and whole year groups isolating, some more than once, we have agreed to review targets regularly through the year and adjust as necessary to respond to the live situation.

All our primary academies will be assessing all their children before Christmas so will have another set of data to evaluate progress since September 2020.

We are very proud of the response our academies have shown to the current situation and how they are still managing to focus on delivering high quality teaching and a broad curriculum.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Key Performance Indicators**

DMAT uses several financial key performance indicators to monitor and benchmark financial health and progress for its family of academies. These include staff cost as a percentage of total revenue grant income, staff cost as a percentage of total cost and capital expenditure per pupil.

Annually DMAT financial performance is compared against similar institutions, with results being shared with academy leaders and local governing bodies.

Secondary Schools

Harris Church of England Academy	2020	2019
Pupil numbers	710	636
Staff costs as a % of total revenue grant income	90%	86%
Staff costs as a % of total costs	73%	70%
Capital expenditure per pupil	£148	£88

Primary Schools

Stretton Church of England Academy	2020	2019
Pupil numbers	190	199
Staff costs as a % of total revenue grant income	80%	82%
Staff costs as a % of total costs	75%	71%
Capital expenditure per pupil	£442	£256

St Laurence's Church of England Primary School	2020	2019
Pupil numbers	402	403
Staff costs as a % of total revenue grant income	70%	80%
Staff costs as a % of total costs	74%	75%
Capital expenditure per pupil	£224	£384

St Bartholomew's Church of England Academy	2020	2019
Pupil numbers	223	248
Staff costs as a % of total revenue grant income	76%	75%
Staff costs as a % of total costs	72%	73%
Capital expenditure per pupil	£204	£828

Queens Church of England Academy	2020	2019
Pupil numbers	330	322
Staff costs as a % of total revenue grant income	75%	70%
Staff costs as a % of total costs	74%	71%
Capital expenditure per pupil	£166	£600

St James Church of England	2020	2019
Pupil numbers	210	210
Staff costs as a % of total revenue grant income	89%	85%
Staff costs as a % of total costs	77%	75%
Capital expenditure per pupil	£72	£629

St Nicolas Church of England Academy	2020	2019
Pupil numbers	420	422
Staff costs as a % of total revenue grant	84%	83%
Staff costs as a % of total costs	74%	74%
Capital expenditure per pupil	£69	£193

Studley St Mary's Church of England Academy	2020	2019
Pupil numbers	218	219
Staff costs as a % of total revenue grant	79%	83%
Staff costs as a % of total costs	74%	73%
Capital expenditure per pupil	£152	£36

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Key Performance Indicators (cont'd)**

St John's Church of England	2020	2019
Pupil numbers	210	211
Staff costs as a % of total revenue grant	83%	80%
Staff costs as a % of total costs	72%	67%
Capital expenditure per pupil	£62	£150
St Michael's Church of England Academy	2020	2019
Pupil numbers	379	359
Staff costs as a % of total revenue grant	93%	91%
Staff costs as a % of total costs	80%	78%
Capital expenditure per pupil	£115	£105
St Oswald's Church of England Academy	2020	2019
Pupil numbers	203	191
Staff costs as a % of total revenue grant	78%	79%
Staff costs as a % of total costs	69%	69%
Capital expenditure per pupil	£10	£311
Leamington Hastings Church of England Academy	2020	2019
Pupil numbers	33	31
Staff costs as a % of total revenue grant	79%	83%
Staff costs as a % of total costs	65%	64%
Capital expenditure per pupil	£508	£451
Leigh Church of England Academy	2020	2019
Pupil numbers	200	203
Staff costs as a % of total revenue grant	73%	87%
Staff costs as a % of total costs	76%	73%
Capital expenditure per pupil	£227	£1,267
Salford Priors Church of England Academy	2020	2019
Pupil numbers	45	47
Staff costs as a % of total revenue grant	75%	71%
Staff costs as a % of total costs	61%	61%
Capital expenditure per pupil	£926	£1,188
All Saints Church of England	2020	2019
Pupil numbers	140	141
Staff costs as a % of total revenue grant	78%	87%
Staff costs as a % of total costs	72%	74%
Capital expenditure per pupil	£30	£200
Burton Green Church of England Academy	2020	2019
Pupil numbers	103	102
Staff costs as a % of total revenue grant	85%	81%
Staff costs as a % of total costs	75%	70%
Capital expenditure per pupil	£3	£109
Long Itchington Church of England Academy	2020	2019
Pupil numbers	185	187
Staff costs as a % of total revenue grant	81%	80%
Staff costs as a % of total costs	72%	68%
Capital expenditure per pupil	£74	£197
Southam St James Church of England Academy	2020	2019
Pupil numbers	176	175
Staff costs as a % of total revenue grant	86%	92%
Staff costs as a % of total costs	77%	74%
Capital expenditure per pupil	£373	£116

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Key Performance Indicators (cont'd)**

Primary Schools	2020	2019
Pupil numbers (Total)	3,667	3,670
Staff costs as a % of total revenue grant	80%	82%
Staff costs as a % of total costs	74%	73%
Capital expenditure per pupil	£163	£375

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that DMAT has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the Academy Trust

The Trustees have promoted the success of the academy trust by having regard to:

- the likely consequences of any decision in the long term;
- the interests of the Trust's employees;
- the need to foster the Trust's charitable relationships with suppliers, customers and others;
- the impact of the Trust's operations on the community and the environment;
- the desirability of the Trust maintaining a reputation for high standards of charitable conduct;
- the need to act fairly as between members of the Trust.

Financial Review

The majority of DMAT's funding comes through the General Annual Grant (GAG) from the Education and Skills Funding Agency (ESFA). This is used to help DMAT achieve the objectives set out earlier in this report and in the trust's Strategic Plan. DMAT's Central Team retain 5% of the GAG to fund the central support services, including academy improvement and a range of back office support. Directors have many examples of where central procurement of services has achieved better value for money than each academy operating independently. The grants received from the ESFA during the year and the associated expenditure are shown in the statement of financial activities.

DMAT continues to develop its network of professional partners supporting the business function of the academies and enabling the Headteachers in the academies to focus on teaching and learning.

Directors are aware of their responsibility to spend their SCA allocation in the areas of most need. The trust was able to complete a competitive tender exercise to deliver site condition and non-compliance surveys across all of its academies, this programme enabled DMAT to invest into building priorities in the past year.

All academies in the trust continue to use the BPS Budget Setting tool. Directors have approved a process of budgeting, reforecasting and common presentation of management accounts. This will ensure the academies, central team and Directors themselves fully understand variances to budgets and are kept abreast of financial performance across the trust.

Reserves Policy

The Directors review the reserve levels of the MAT annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of reserves for the current number of academies should be equivalent to 4 weeks' expenditure, approximately £1,987,308 (2019, £1,952,692). The level of reserves will be reviewed and adjusted as new academies join the trust. The reason for this is to provide a sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Investment Policy**

All investments are made in accordance with the trust's policy. This policy is one of minimum risk with all investments being held with the trust's bankers. Through the management of future cash flow there will be sufficient funds in main bank accounts to cover operational costs, whilst enabling balances to be invested in similar secure short-term higher interest deposit accounts. The investment policy will be reviewed in 2020-21.

Principle Risks and Uncertainties

The principle risks and uncertainties and our strategies for managing these are identified in the DMAT Risk Register. Directors monitor the risks at each meeting.

Fundraising

DMAT academies conduct limited fundraising activities. These include activities on behalf of the academies delivered by, for example, parent teacher associations. A small number of lettings of academy facilities take place.

Streamlined Energy and Carbon Reporting

Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020 - UK

Energy source	Usage	Scope	Emissions	Emissions intensity Ratio (kgCO ₂ e per pupil)
Electricity	Lighting etc	2 (indirect impact from electricity)	389382	88.96
Gas	Heating	1 (direct energy and processes)	517419	118.21
Heating Oil	Heating	1 (direct energy and processes)	25176	5.75
Diesel	Minibuses	1 (direct energy and processes)	1106	0.25
Petrol/Diesel	Personal cars for business use	1 (direct energy and processes)	8587	1.96

Methodologies

- The annual consumption of electricity and gas have been taken from the utility bills in kWh.
- The annual consumption of heating oil has been taken from the bills in litres.
- Diesel usage for minibuses has been taken from recorded mileage.
- Petrol and diesel usage for personal cars for business use has been calculated using mileage claims to calculate the mileage, and the following assumptions (based on figures from the RAC Foundation <https://www.racfoundation.org/motoring-faqs/environment#a9>):
 - calculated assuming a 60/40 split of petrol/diesel use
 - 5.6 litres per 100km for petrol vehicles
 - 4.9 litres per 100km for diesel vehicles
- For all sources the carbon footprint has then been calculated using the Carbon Trust Carbon Footprint Calculator <https://www.carbontrust.com/resources/sme-carbon-footprint-calculator>
- Emissions intensity ratio of kgCO₂e per pupil has been calculated using pupil numbers of 4377 from July 2020.

Please note:

Gas and electricity usage figures are likely to have been impacted due to partial opening of schools during the lockdown for COVID-19, as well as differences in heating regimes due to the requirements for increased ventilation from open doors etc.

Business use mileage has been considerably reduced this year due to COVID-19 restrictions because of staff working from home where possible from the last week of March up to and beyond the end of the reporting period.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Energy Efficiency Actions**

Lighting tubes in need of repair or replacement have been replaced with LED and LED lighting has been used within new building projects. As a result, during 2019-20 we have fitted LED lighting in:

- Refurbished classrooms at Salford Priors, Queens CofE Academy and St Laurences CofE Primary School
- Refurbished toilets at Studley St Mary's CofE Academy
- Front entrance works at Stretton CofE Academy
- Exterior lighting at Leigh CofE Academy

We have Commissioned boiler surveys and as a result have complete boiler replacement works incorporating modern energy saving technologies in:

- Harris CofE Academy humanities building

We have carried out roof works incorporating energy efficient insulation at:

- Southam St James CofE Academy (partial roof works)
- St Bartholomew's CofE Academy (section 1 of roof)

Plans for Future Periods

DMAT continues to have ambitions for steady and sensible growth. During the academic/financial year 2020-21, DMAT plans to continue to expand to meet demand from schools. There is one school where the local governing board has voted to join DMAT and others are considering DMAT as a potential academy trust home. The Board of Directors will continue to manage academy conversions to ensure that DMAT has the capacity to support schools joining the Trust and to maintain a balance of sponsored and convertor academies. To ensure financial viability, attention will also be paid to the numbers of pupils on roll. These academies will help us to ensure that our fixed costs are met while giving us an increased ability to provide a higher level of school improvement support.

Funds Held as Custodian Director on Behalf of Others

None

Auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company directors, on 8 December 2020 and signed on the board's behalf by:



.....
Paula Whitfield
Chair of Directors
8 December 2020

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**Scope of Responsibility**

As directors who are also the trustees under charity law, we acknowledge we have overall responsibility for ensuring the DMAT has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

As directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of directors has delegated day-to-day responsibility to the Chief Executive Officer for ensuring financial controls conform with the requirements of both propriety and good financial management in accordance with the requirements and responsibilities assigned to the Trust in the funding agreement between the DMAT and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here is in addition to information contained within the directors' report and in the Statement of Directors' Responsibilities. The board of directors has formally met 11 times during the year. Attendance during the year at meetings of the full board of directors was as follows:

Director	Meetings attended	Out of a Possible
Peter Law (resigned 31 Dec 2019)	1	3
Peter Grieves-Smith (appointed 5 March 2020)	4	7
John Wade (resigned 3 Oct 2019)	-	1
Roger Medwell	6	11
Ian Dewes	10	11
Mandy Coalter	10	11
Ruth Marlow	10	11
Andrew Armbrister (resigned 31 Dec 2019)	2	3
Jason Slack (resigned 18 July 2020)	11	11
Paula Whitfield (Chair of the Board)	11	11
Michael Cowland (CEO & Accounting Officer)	11	11

Business & Finance Committee

The **Business & Finance Committee** is a committee of the main board of directors. It first met in March 2020. Its purpose is to maintain an oversight of DMAT's finances, the financial implications of human resources, payroll, administration, marketing, health & safety, premises, insurance, ICT and catering. Business & Finance Committee has no executive powers or operational responsibilities / duties. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a Possible
Paula Whitfield (Chair)	2	2
Roger Medwell	1	2
Peter Grieves-Smith	-	2
Michael Cowland	2	2

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**Review of Value for Money**

As accounting officer, Mr M Cowland has responsibility for ensuring that the DMAT delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for DMAT has delivered improved value for money during the year by:

Professional Services:

All our academies continue to pay 5% of their General Annual Grant to provide an increasingly broad range of services. In consultation with our academy Headteachers, DMAT has committed to increasing the services provided wherever possible. Some examples of where the trust has been able to achieve greater value for money on the purchasing of professional services can be seen below:

- Procurement of a new Health and Safety Support contract has provided a saving of £4,600 and access to a greater number of services
- Subscription for online training modules has saved approximately £20 per member of staff per course
- Partnership agreement for purchases across schools of stationary, cleaning supplies etc. Prices are low and we receive a rebate depending on volume of sales, which for 19/20 was £4,500.

The trust continues to complete all academy conversions without the requirement for an external project manager. This saves DMAT approximately £3,000 per academy conversion.

Employment:

The trust saved approximately £200,000 by not replacing vacant support staff roles during the year.

External funding:

The trust now receives School Condition Allocation funding. £228,000 has been spent during the year. This has been used to address the highest priority facility improvements across the 18 academies.

Procurement:

The trust used its size and scale to procure Personal Protection Equipment (PPA) for all of its academies during the COVID19 crisis. As a result, every academy had everything they needed and the trust was able to make financial savings by procuring in bulk.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Diocese of Coventry Multi Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint UHY Hacker Young the external auditors to provide a supplementary programme of work as part of their external audit service. The external auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included testing:

- Review of efficiency of payroll and HR processes;
- Adequacy of controls over:
 - starters;
 - leavers;
 - changes to pay;
 - overtime.

During this period the auditor has delivered the schedule of work as planned and no control issues were identified. On an annual basis, the auditor reports to the board of directors on the operation of the systems of control and on the discharge of the board of directors financial responsibilities.

Review of Effectiveness

As accounting officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Head of Finance within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 8 December 2020 and signed on its behalf by:



.....
P Whitfield
Chair of Directors



.....
M Cowland
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of The Diocese of Coventry Multi-Academy Trust I have considered my responsibility to notify the academy trust board of directors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial

I confirm that I and the multi academy trust board of directors are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

- There was a failure to seek advance approval from the ESFA for related party transactions with a cumulative value of greater than the £20,000 limit. A director of the board was also the chair of a charity which provided services amounting to £47,926 during the year to the trust.



.....
M Cowland
Accounting Officer

8 December 2020

STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

The directors (who act as trustees of the DMAT and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the DMAT's transactions and disclose with reasonable accuracy at any time the financial position of the DMAT and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that in its conduct and operation the DMAT applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of directors on 8 December 2020 and signed on its behalf by:



.....
P Whitfield
Chair of Directors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2020**Opinion**

We have audited the financial statements of The Diocese of Coventry Multi Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report, governance statement, statement on regularity, propriety and compliance and statement of directors responsibilities other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' and trustees' responsibilities statement set out on page 22, the directors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Malcolm Winston

Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP, Statutory Auditor

9-11 Vittoria Street

Birmingham

B1 3ND

8 December 2020

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 28 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2019 to 2020 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the DMAT during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the DMAT and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The DMAT and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Diocese of Coventry Multi-Academy Trust's accounting officer

The accounting officer is responsible, under the requirements of the DMAT's funding agreement with the Secretary of State for Education dated 26 March 2013, and the Academies Financial Handbook extant from 1 September 2019 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2019 to 2020. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the multi academy trust's income and expenditure.

Summary of the work undertaken was as follows:

- Analytical review of the DMAT's general activities are within the multi academy trusts framework of authorities;
- Consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE DIOCESE OF COVENTRY MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Approach (con't)**

- Review of the general control environment for the DMAT on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the multi academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the multi academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or directors; and
- Review of income received in accordance with the activities permitted within the multi academy trust's charitable objectives.

Conclusion

In the course of our work, except for the matter below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- There was a failure to seek advance approval from the ESFA for related party transactions with a cumulative value of greater than the £20,000 limit. A director of the board was also the chair of a charity which provided services amounting to £47,926 during the year to the trust.

UHY Hacker Young (Birmingham) LLP

Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

8 December 2020

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

(Including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2020	2019
		£'000	Funds	Asset	£'000	£'000
			£'000	Funds		
Income from:						
Donations and capital grants	3	64	-	409	473	1,429
Transferred from local authority on conversion	3 & 30	-	-	-	-	4,942
Charitable activities:						
- Funding for the academy trust's educational operations	4	15	23,193	-	23,208	22,120
Other trading activities	5	565	-	-	565	797
Investment income	6	7	-	-	7	10
Total		651	23,193	409	24,253	29,298
Expenditure on:						
Raising funds	7	307	-	-	307	344
Charitable activities:						
- Academy trust's educational operations	7	-	23,976	1,552	25,528	25,041
Total		307	23,976	1,552	25,835	25,385
Net income/(expenditure)		344	(783)	(1,143)	(1,582)	3,913
Transfers between funds	17	(353)	91	262	-	-
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	28	-	(1,350)	-	(1,350)	(3,326)
Net movement in funds		(9)	(2,042)	(881)	(2,932)	587
Reconciliation of funds						
Total funds brought forward	17	2,313	(13,015)	62,680	51,978	51,391
Total funds carried forward	17	2,304	(15,057)	61,799	49,046	51,978

All of the DMAT's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	13	<u>61,710</u>	<u>62,559</u>
		<u>61,710</u>	<u>62,559</u>
Current assets			
Debtors	14	838	755
Cash at bank and in hand	24	<u>6,360</u>	<u>5,409</u>
		<u>7,198</u>	<u>6,164</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	<u>(3,197)</u>	<u>(2,622)</u>
Net current assets		<u>4,001</u>	<u>3,542</u>
Total assets less current liabilities		65,711	66,101
Creditors: Amounts falling due after more than one year	16	<u>(17)</u>	<u>(22)</u>
Net assets excluding pension liability		<u>65,694</u>	<u>66,079</u>
Defined benefit pension scheme liability	28	<u>(16,648)</u>	<u>(14,101)</u>
Total Net Assets		<u><u>49,046</u></u>	<u><u>51,978</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	17	61,799	62,680
- Restricted income fund	17	1,591	1,086
- Pension reserve	17	<u>(16,648)</u>	<u>(14,101)</u>
Total Restricted Funds		<u>46,742</u>	<u>49,665</u>
Unrestricted income fund	17	<u>2,304</u>	<u>2,313</u>
Total Unrestricted Funds		<u>2,304</u>	<u>2,313</u>
Total Funds		<u><u>49,046</u></u>	<u><u>51,978</u></u>

The financial statements on pages 28 to 53 were approved by the directors and authorised for issue on 8 December 2020 and signed on their behalf by:



.....
P Whitfield
Chair of Directors

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash provided by operating activities	21	1,243	78
Cash flows from investing activities	22	(287)	(130)
Cash flows from financing activities	23	(5)	(4)
Change in cash and cash equivalents in the reporting period		<u>951</u>	<u>(56)</u>
 Cash and cash equivalents at 1 September		 5,409	 5,465
Cash and cash equivalents at 31 August	24	<u>6,360</u>	<u>5,409</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Statement of Accounting Policies

A summary of principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Diocese of Coventry Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Transfer of State Maintained School to a Multi Academy Trust

The transfer of a state maintained school to the DMAT involved the transfer of identifiable assets and liabilities and the operation of the school for nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the Local Authority to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Diocese of Coventry Multi-Academy Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding net amount recognised as a net gain/loss in the Statement of Financial Activities and analysed as donations transferred from local authority on conversion. Further details of the transactions are set out in note 29.

Going Concern

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the DMAT has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised in full when there is an entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund.

- **Sponsorship income**

Sponsorship income provided to the DMAT which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

- **Transfers of leasehold property**

Leasehold property transferred to the DMAT from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing **£1,000** or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

Tangible Fixed Assets (cont'd)

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Leasehold Land & Buildings	2%
Furniture and equipment	10-15%
Computer equipment and software	33.33%
Motor vehicles	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instrument, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The DMAT is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the multi academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the DMAT are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi employer scheme with no underlying assets to assign between employers. Consequently the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

Pensions Benefits (cont'd)

The LGPS is a multi funded employer scheme and the assets are held separately from those of the DMAT in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of the scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the directors. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The DMAT makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The critical judgements that the directors have made in the process of applying the DMAT's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the DMAT was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020 (see note 17).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
ESFA Capital Grants	-	358	358	1,235
LA fixed assets transferred	-	-	-	5,200
LA prior years surplus b/fwd	-	-	-	173
LA LGPS pension deficit transferred	-	-	-	(431)
Donations	64	16	80	144
Other capital grants	-	35	35	50
	<u>64</u>	<u>409</u>	<u>473</u>	<u>6,371</u>

The income from donations and capital grants was £473,000 (2019: £6,371,000) of which £64,000 (2019: £308,000) was unrestricted, £Nil (2019: £431,000 net deficit) on restricted and £409,000 (2019: £6,494,000) restricted fixed assets.

4 FUNDING FOR THE DMAT'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	18,549	18,549	18,098
Start up grant	-	-	-	75
Pupil premium grant	-	1,495	1,495	1,458
Year 7 catch up	-	18	18	16
PE and sports grant	-	306	306	304
UIFSM grant	-	379	379	394
Teachers pay grant	-	231	231	148
Teachers pension grant	-	658	658	-
Other DfE grants	-	150	150	189
	<u>-</u>	<u>21,786</u>	<u>21,786</u>	<u>20,682</u>
Other Government grants				
Teach first	-	13	13	10
Special needs grant - LA	-	445	445	411
Pupil premium grant - LA	-	58	58	100
Early years funding grant - LA	-	506	506	566
Children Centre grant - LA	-	222	222	196
Other Grants - LA	-	47	47	127
Other Government grants	-	1	1	-
	<u>-</u>	<u>1,292</u>	<u>1,292</u>	<u>1,410</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

4 FUNDING FOR THE DMAT'S EDUCATIONAL OPERATIONS (cont'd)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Exceptional Government funding				
Coronavirus exceptional support	-	65	65	-
Other Coronavirus funding	-	10	10	-
	<u>-</u>	<u>75</u>	<u>75</u>	<u>-</u>
Other income from the academy trust's educational operations	15	40	55	28
	<u>15</u>	<u>40</u>	<u>55</u>	<u>28</u>
	<u>15</u>	<u>23,193</u>	<u>23,208</u>	<u>22,120</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £64,840 of cleaning, free school meals and premises costs. These costs are included in notes 7 and 8.
- Other Coronavirus funding of £10,000 covers additional support costs which are included in notes 7 and 8.

The income from funding for the DMAT's educational operations was £23,208,000 (2019: £22,120,000) of which £15,000 (2019: £nil) was unrestricted and £23,193,000 (2019: £22,120,000) restricted.

The income from the academy trusts's educational operations was restricted for both 2020 and 2019.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Lettings income	58	-	58	114
Sports Centre income	52	-	52	118
School Sports Partnership income	205	-	205	200
Sundry income	189	-	189	278
EWE club income	42	-	42	45
Nursery fees	19	-	19	42
	<u>565</u>	<u>-</u>	<u>565</u>	<u>797</u>

The income from the academy trusts's other trading activities was unrestricted for both 2020 and 2019.

6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Bank interest received	7	-	7	10
	<u>7</u>	<u>-</u>	<u>7</u>	<u>10</u>

The income from the academy trusts's investment income was unrestricted for both 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure		Total 2020 £'000	Total 2019 £'000
		Premises £'000	Other Costs £'000		
Expenditure on raising funds					
- Direct costs	-	-	-	-	278
- Allocated support costs	230	13	64	307	66
Academy's educational operations					
- Direct costs	15,173	-	1,408	16,581	15,760
- Allocated support costs	4,458	2,894	1,595	8,947	9,281
	<u>19,631</u>	<u>2,894</u>	<u>3,003</u>	<u>25,528</u>	<u>25,041</u>
	<u>19,861</u>	<u>2,907</u>	<u>3,067</u>	<u>25,835</u>	<u>25,385</u>

The expenditure was £25,835,000 (2019: £25,385,000) of which £307,000 (2019: £344,000) was unrestricted, £23,976,000 (2019: £23,493,000) restricted and £1,552,000 (2019: £1,548,000) restricted fixed assets.

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Operating leases rentals	66	64
Depreciation	1,552	1,548
Fees payable to auditor for:		
- audit	42	42
- other services	5	5

8 CHARITABLE ACTIVITIES

	Total 2020 £'000	Total 2019 £'000
Direct costs - educational operations	16,581	15,760
Support costs - educational operations	8,947	9,281
	<u>25,528</u>	<u>25,041</u>
Analysis of Support Costs		
Support staff costs	4,458	4,460
Depreciation	1,552	1,548
Technology costs	268	422
Premises costs	1,342	1,201
Legal costs - conversion	-	-
Legal costs - other	10	-
Other support costs	809	1,302
Governance	508	348
	<u>8,947</u>	<u>9,281</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

9 STAFF COSTS**a Staff costs**

	Total 2020 £'000	Total 2019 £'000
Staff costs during the year were:		
Wages and salaries	13,420	13,489
Social security costs	1,176	1,199
Pension costs	4,564	3,512
	<u>19,160</u>	<u>18,200</u>
Agency staff costs	649	786
Staff restructuring costs	52	114
	<u>19,861</u>	<u>19,100</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	33	33
Other restructuring costs	19	60
Ex-gratia payment	-	21
	<u>52</u>	<u>114</u>

b Staff severance payments

Included in staff restructuring costs is £33,528 (2019 : £33,125) non statutory/non contractual severance payments. Individually these amounts were; £5,000 (paid 8 April 2020), £15,393 (paid 15 April 2020) and £15,135 (paid 31 January 2020).

c Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the year ended 31 August 2020 expressed as whole persons was as follows:

	2020 No	2019 No
Charitable Activities		
Teachers	189	193
Administration and support	364	375
Management	22	23
	<u>575</u>	<u>591</u>

d Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

	2020 No	2019 No
£60,001 - £70,000	12	11
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
	<u>-</u>	<u>1</u>

e Key management personnel

The key management of the DMAT comprise the directors and the senior management team as listed on pages 3 & 4. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,716,967 (2019: £1,719,129).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (cont'd)

10 CENTRAL SERVICES

The DMAT has provided the following central services to the schools listed below;

- human resources;
- financial services;
- accounting services.
- legal services;
- educational support services; and

The DMAT charges for these services a flat percentage of 5% of all GAG and ESG income. An additional one off charge was also made for any academies joining the DMAT during the year for consultancy services.

The actual amounts charged during the year were as follows:

	2020 £'000	2019 £'000
Stretton Church of England Academy	49	49
St Laurence's Church of England Primary School	87	85
St Bartholomew's Church of England Academy	57	61
Queens Church of England Academy	68	62
Harris Church of England Academy	165	165
St James Church of England Academy	40	41
St Nicolas Church of England Academy	74	72
Studley St Mary's Church of England Academy	43	42
St John's Church of England Academy	43	43
St Michael's Church of England Academy	73	67
St Oswald's Church of England Academy	39	40
Leamington Hastings Church of England Academy	11	13
Leigh Church of England Academy	48	45
Salford Priors Church of England Academy	13	12
All Saints Church of England Academy	28	27
Burton Green Church of England Academy	22	22
Long Itchington Church of England Academy	34	35
Southam St James Church of England Academy	32	34
	<u>926</u>	<u>915</u>

11 RELATED PARTY TRANSACTIONS - DIRECTORS' REMUNERATION AND EXPENSES

One or more directors has been paid remuneration or has received other benefits from an employment with the DMAT. The Chief Executive Officer receives remuneration in respect of this services provided undertaking the role of Chief Executive Officer and not in respect of services as a director. Other directors did not receive any payments, other than expenses, from the DMAT in respect of their role as directors. The value of director's remuneration and other remuneration was as follows:

M Cowland (Chief Executive Officer) - appointed 12 August 2019

Remuneration	£80,000 - £90,000	(2019: £0 - £5,000)
Employers pension contributions	£15,000 - £20,000	(2019: £0 - £5,000)

D Morris (Chief Executive Officer) - resigned 31 December 2018

Remuneration	£Nil	(2019: £90,000 - £95,000)
Employers pension contributions	£Nil	(2019: £5,000 - £10,000)

L Nash (Interim Chief Executive Officer - resigned September 2019)

Remuneration	£Nil	(2019: £60,000 - £65,000)
Employers pension contributions	£Nil	(2019: £0 - £15,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £751 were reimbursed or paid (2019: £364) to 1 director.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

12 DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect directors' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2020 was £881 (2019: £830). The cost of this insurance is included in the total insurance cost.

13 TANGIBLE FIXED ASSETS

	Leasehold				
	Land & Buildings	Furniture & Equipment	Computer Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2019	66,609	1,370	424	78	68,481
Transfer on conversion	-	-	-	-	-
Additions	539	114	50	-	703
Reclassification	(28)	9	19	-	-
Disposals	-	-	-	-	-
At 31 August 2020	67,120	1,493	493	78	69,184
Depreciation					
At 1 September 2019	4,806	761	289	66	5,922
Charged in year	1,278	190	76	8	1,552
Disposals	-	-	-	-	-
At 31 August 2020	6,084	951	365	74	7,474
Net book value					
At 31 August 2020	61,036	542	128	4	61,710
At 31 August 2019	61,803	609	135	12	62,559

Where the DMAT occupies the land and buildings under a licence from the Church of England no interest in the sites pass to the DMAT. However, in accordance with FRS 102 and the Academy Accounts Direction 2019/20 the commercial substance of the transaction takes precedence over the legal form. As a result any land and buildings occupied under licence by the DMAT and owned by the Church of England are recognised on the academy trust balance sheet for the future economic benefits that are expected to flow from the use of such properties.

The majority of the DMAT's leasehold land and buildings were donated to the DMAT by Coventry City Council (CCC) and Warwickshire County Council (WCC) on 125 year leases at a peppercorn rent. An existing use valuation and useful asset life assessment was prepared in accordance with the requirements of the accounting standard FRS 102 for each of the academy's that converted. The leasehold land and buildings gifted had a depreciated replacement cost value for: Stretton Church of England Academy £2,097,000; St Laurence's Church of England Primary School £2,354,000; St Bartholomew's Church of England Academy £4,618,000; Queens Church of England Academy £1,167,000; Harris Church of England Academy £16,615,000; St James Church of England Academy £2,770,000; St Nicolas Church of England Academy £3,676,600; Studley St Mary's Church of England Academy £2,504,000; St John's Church of England Academy £2,092,000; St Michael's Church of England Academy £5,745,000, St Oswald's Church of England Academy £2,996,000 and Leamington Hastings Church of England Academy £1,237,000. Leigh Church of England Academy £2,796,000, Salford Priors Church of England Academy £1,800,000, All Saints Church of England Academy £1,891,000, Burton Green Church of England Academy £1,222,000, Long Itchington Church of England Academy £2,950,000 and Southam St James Church of England Academy £2,250,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

14 DEBTORS

	2020	2019
	£'000	£'000
Trade debtors	85	54
VAT recoverable	160	163
Other debtors	4	40
Prepayments and accrued income	589	498
	<u>838</u>	<u>755</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Trade creditors	609	630
Taxation and Social Security	607	532
Other creditors	30	44
Salix loans	5	5
Accruals	492	444
Deferred income	1,454	967
	<u>3,197</u>	<u>2,622</u>

Deferred Income

	2020	2019
	£'000	£'000
Deferred income at 1 September 2019	967	1,332
Resources deferred in the year	1,454	967
Amounts released from previous years	(967)	(1,332)
Deferred income at 31 August 2020	<u>1,454</u>	<u>967</u>

At the balance sheet date the DMAT was holding funds received in advance for 2020/21 by Central Services: £949,232 (2019: £504,643); St Laurence's Church of England Primary School: £25,523 (2019: £28,195) Stretton Church of England Academy £15,123 (2019 : £14,276); Harris Church of England Academy £145,133 (2019 : £165,764); Queens Church of England Academy £1,687 (2019: £2,561); St Bartholomew's Church of England Academy £12,244 (2019 : £16,777); St James Church of England Academy: £2,180 (2019: £2,146); St Nicolas Church of England Academy: £34,624 (2019: £41,040), Studley St Mary's Church of England Academy: £2,235 (2019: £2,964); St John's Church of England Academy £22,219 (2019: £20,776), St Michael's Church of England Academy £137,885 (2019: £47,869), St Oswalds Church of England Academy £17,950 (2019: £18,515) and Leamington Hastings Church of England Academy £9,876 (2019: £7,138). Leigh Church of England Academy £11,931 (2019: £18,333), Salford Priors Church of England Academy £1,778 (2019: £3,791), All Saints Church of England Academy £13,227 (2019: £20,680), Burton Green Church of England Academy £11,851 (2019: £13,100). Long Itchington Church of England Academy £17,368 (2019 : £18,100) and Southam St James Church of England Academy £19,342 (2019 : £18,518). For terms of the Salix loan please see note 16.

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Creditors include amounts not wholly repayable within 1 year as follows:

	2020	2019
	£'000	£'000
Salix loan	<u>17</u>	<u>22</u>

In 2015 the DMAT took out ESFA approved, interest free Salix loans with outstanding balances due after 1 year as at 31 August 2020 of: St Bartholomew's Church of England Academy £11,173 (2019: £13,966); St James Church of England Academy £3,996 (2019: £4,995) and Studley St Mary's Church of England Academy £2,068 (2019: £2,895) payable over 8 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

17 FUNDS

The income funds of the academy applied for specific purposes are as follows:

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General annual grant (GAG) (note i)	1,086	18,549	(18,350)	91	1,376
Pupil premium grant (note ii)	-	1,495	(1,353)	-	142
Year 7 catch up (note iii)	-	18	(18)	-	-
Special needs grant - LA (note iv)	-	445	(445)	-	-
Pupil premium grant - LA (note ii)	-	58	(58)	-	-
Early years funding grant - LA (note v)	-	506	(506)	-	-
Children Centre grant - WCC (note vi)	-	222	(222)	-	-
Other EFA grant (note vii)	-	1,789	(1,716)	-	73
Other grants - LA (note viii)	-	57	(57)	-	-
Other grants - non government (note ix)	-	40	(40)	-	-
Other grants - government (note x)	-	14	(14)	-	-
Total general funds carried forw'd	1,086	23,193	(22,779)	91	1,591
Restricted fixed asset funds					
Fixed assets donation - LA (note xi)	57,476	-	(1,275)	-	56,201
Devolved formula capital grant (note xii)	459	130	(57)	-	532
ACMF - capital (note xii)	937	-	(63)	-	874
CIF grant (note xiii)	1,524	-	(52)	-	1,472
Capital expenditure from GAG (note xii)	685	-	(44)	262	903
Capital expenditure from unrestricted funds (note xii)	4	-	(1)	-	3
SCA grant (note xii)	1,370	228	(49)	-	1,549
Other capital grants (note xii)	161	35	(5)	-	191
Fixed asset donations - non-government (note xi)	26	16	(4)	-	38
EIG Grant (note xii)	38	-	(2)	-	36
Total fixed asset funds	62,680	409	(1,552)	262	61,799
Restricted pension scheme liability					
Pension reserve (note xiv)	(14,101)	-	(1,197)	(1,350)	(16,648)
	(14,101)	-	(1,197)	(1,350)	(16,648)
Total restricted funds	49,665	23,602	(25,528)	(997)	46,742
Unrestricted funds					
Unrestricted funds	872	446	(155)	(17)	1,146
LA prior years surplus b/fwd	1,118	-	-	(336)	782
School Sports Partnership funds	323	205	(152)	-	376
Total unrestricted funds	2,313	651	(307)	(353)	2,304
Total funds	51,978	24,253	(25,835)	(1,350)	49,046

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

17 FUNDS (Continued)

The income funds of the academy applied for specific purposes are as follows:

Notes

- i) GAG must be used for the normal running costs of the DMAT. Under the funding agreement with the Secretary of State, the DMAT was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2020 (see note 2).
- ii) Pupil premium grant has been used to support children from low income families placed in the MAT.
- iii) Year 7 catch up grant has been used to provide additional support in reading and/or maths not achieving level 4.
- iv) Special needs grant has been used to support enhanced learning for children with special educational needs.
- v) Early years funding has been used to provide teaching support for younger children.
- vi) Children's centre funding has been used to provide teaching support for younger children.
- vii) Other ESFA grants have been used for direct staff and educational resources within the purpose intended for the grants.
- viii) Other Local Authority grants have been used for direct staff and educational resources within the purpose intended for the grants.
- ix) Other non-government grants have been used for direct staff and educational resources within the purpose intended for the grants.
- x) Other government grants have been used for direct staff and educational resources within the purpose intended for the grants.
- xi) Restricted fixed assets were funded by Coventry City Council and Warwickshire County Council donating academy land and buildings on a 125 year lease at a pepper corn rent.
- xii) Restricted fixed asset additions were funded by government grants and transfers from restricted and unrestricted funds.
- xiii) Capital improvement funding received from ESFA for specific capital expenditure at schools.
- xiv) The pension reserve represents the deficit on the LGPS (see note 28).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

17 FUNDS (cont'd)

Comparative information in respect of the preceeding period is as follows:

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General annual grant (GAG)	884	18,098	(18,198)	302	1,086
School improvement grant	-	-	-	-	-
Pupil premium grant	-	1,458	(1,458)	-	-
PE and sports grant	-	304	(304)	-	-
Year 7 catch up	-	16	(16)	-	-
Teach first	-	10	(10)	-	-
UIFSM grant	-	394	(394)	-	-
Rates relief	-	81	(81)	-	-
Special needs grant - LA	-	411	(411)	-	-
Pupil premium grant - LA	-	100	(100)	-	-
Early years funding grant - LA	-	566	(566)	-	-
Children Centre grant - WCC	-	196	(196)	-	-
Other EFA grant	54	3	(57)	-	-
School funds	37	-	(37)	-	-
Skills for employment grant - WCC	-	3	(3)	-	-
Other grants - LA	-	124	(124)	-	-
Other grants - non government	-	28	(28)	-	-
Teacher Pay Grant	-	148	(148)	-	-
Start up Grant	-	75	(75)	-	-
MDIF Grant	-	105	(105)	-	-
Total general funds carried forw'd	975	22,120	(22,311)	302	1,086
Restricted fixed asset funds					
Fixed assets donation - LA	53,541	5,200	(1,265)	-	57,476
Devolved formula capital grant	211	319	(71)	-	459
ACMF - capital	943	18	(24)	-	937
CIF grant	1,526	38	(40)	-	1,524
Capital expenditure from GAG	512	-	(77)	250	685
Capital expenditure from unrestricted funds	8	-	(4)	-	4
SCA grant	569	860	(59)	-	1,370
Other capital grants	114	50	(3)	-	161
Fixed asset donations - non-government	21	9	(4)	-	26
EIG Grant	39	-	(1)	-	38
Total fixed asset funds	57,484	6,494	(1,548)	250	62,680
Restricted pension scheme liability					
Pension reserve	(9,162)	(431)	(1,182)	(3,326)	(14,101)
	(9,162)	(431)	(1,182)	(3,326)	(14,101)
Total restricted funds	49,297	28,183	(25,041)	(2,774)	49,665
Unrestricted funds					
Unrestricted funds	735	742	(187)	(418)	872
LA prior years surplus b/fwd	1,079	173	-	(134)	1,118
School Sports Partnership funds	280	200	(157)	-	323
Total unrestricted funds	2,094	1,115	(344)	(552)	2,313
Total funds	51,391	29,298	(25,385)	(3,326)	51,978

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

17 FUNDS (cont'd)

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£'000	£'000
Stretton Church of England Academy	177	228
St Laurence's Church of England Primary School	858	682
St Bartholomew's Church of England Academy	484	462
Queens Church of England Academy	287	183
Harris Church of England Academy	842	915
St James Church of England Academy	124	128
St Nicolas Church of England Academy	109	93
Studley St Mary's Church of England Academy	154	95
St John's Church of England Academy	133	166
St Michael's Church of England Academy	159	117
St Oswald's Church of England Academy	80	57
Leamington Hastings Church of England Academy	41	45
Leigh Church of England Academy	60	(69)
Salford Priors Church of England Academy	56	74
All Saints Church of England Academy	75	33
Burton Green Church of England Academy	69	71
Long Itchington Church of England Academy	59	50
Southam St James Church of England Academy	28	16
Central services	100	53
Total before fixed assets and pension reserve	3,895	3,399
Restricted fixed assets fund	61,799	62,680
Pension reserve	(16,648)	(14,101)
	45,151	48,579
Total	49,046	51,978

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

17 FUNDS (cont'd)

TOTAL COST ANALYSIS BY ACADEMY

Expenditure incurred by each academy during the year was as follows:

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Deprec'n)	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Stretton	832	139	48	164	1,183	1,232
St Laurence's	1,250	222	70	267	1,809	1,962
St Bartholomew's	959	144	65	181	1,349	1,414
Queens	986	248	148	173	1,555	1,340
Harris	2,334	1,183	245	517	4,279	3,863
St James	653	176	38	92	959	956
St Nicolas	1,204	245	121	207	1,777	1,699
Studley St Mary's	681	138	85	86	990	961
St John's	724	100	82	148	1,054	1,036
St Michael's	1,750	543	118	240	2,651	2,529
St Oswald's	648	156	64	176	1,044	1,023
Leamington Hastings	181	68	27	68	344	367
Leigh C of E	792	130	46	138	1,106	1,272
Salford Priors	220	44	27	85	376	330
All Saints	416	81	44	87	628	667
Burton Green	374	78	27	78	557	566
Long Itchington	570	94	57	108	829	736
Southam St James	566	85	36	83	770	747
Central services	33	814	60	116	1,023	1,137
DMAT	15,173	4,688	1,408	3,014	24,283	23,837

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Pension Restricted Funds	General Restricted Funds	Fixed Assets Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	61,710	61,710
Current assets	2,059	-	5,050	89	7,198
Current liabilities	-	-	(3,197)	-	(3,197)
Non-current liabilities	-	-	(17)	-	(17)
Pension scheme liability	-	(16,648)	-	-	(16,648)
	2,059	(16,648)	1,836	61,799	49,046

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Pension Restricted Funds	General Restricted Funds	Fixed Assets Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	62,559	62,559
Current assets	2,313	-	3,730	121	6,164
Current liabilities	-	-	(2,622)	-	(2,622)
Non-current liabilities	-	-	(22)	-	(22)
Pension scheme liability	-	(14,101)	-	-	(14,101)
	2,313	(14,101)	1,086	62,680	51,978

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

19 CAPITAL COMMITMENTS

	2020	2019
	£'000	£'000
Contracted for, but not provided in the financial statements	734	16
Authorised by directors, but not yet contracted	Nil	Nil

20 COMMITMENTS UNDER OPERATING LEASES

Operating leases

At 31 August 2020 the total of the DMAT's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£'000	£'000
Operating leases which expire:		
Within one year	51	61
Within two to five years	60	46
	<u>111</u>	<u>107</u>

21 RECONCILIATION OF NET (DEFICIT)/INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£'000	£'000
Net (deficit)/income for the reporting period (as per the statement of financial activities)	(1,582)	3,913
Adjusted for:		
Depreciation (note 13)	1,552	1,548
Fixed assets donation	-	(5,200)
LGPS pension deficit transfer	-	431
Capital grants from DfE and other capital income	(409)	(1,294)
Interest receivable	(7)	(10)
Defined benefit pension scheme cost less contributions payable (note 27)	933	918
Defined benefit pension scheme finance cost (note 27)	264	264
Increase in debtors	(83)	(52)
Increase/(decrease) in creditors	575	(440)
Net cash provided by operating activities	<u>1,243</u>	<u>78</u>

22 CASH FLOWS FROM INVESTING ACTIVITIES

	2020	2019
	£'000	£'000
Interest received	7	10
Purchase of tangible fixed assets	(703)	(1,434)
Capital grants from DfE/ESFA	358	1,235
Capital funding received from sponsors and others	51	59
Receipts from sale of tangible fixed assets	-	-
Net cash used in investing activities	<u>(287)</u>	<u>(130)</u>

23 CASH FLOWS FROM FINANCING ACTIVITIES

	2020	2019
	£'000	£'000
Repayments of borrowing	(5)	(4)
Cash inflows from new borrowing	-	-
Net cash used in financing activities	<u>(5)</u>	<u>(4)</u>

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At	At
	31 Aug	31 Aug
	2020	2019
	£'000	£'000
Cash in hand and at bank	6,360	5,409
Total cash and cash equivalents	<u>6,360</u>	<u>5,409</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

25 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £'000	Cash Flows £'000	Aug 2020 £'000
Cash at bank	5,409	951	6,360
	<u>5,409</u>	<u>951</u>	<u>6,360</u>
Loans within one year	(5)	-	(5)
Loans within more than one year	(22)	5	(17)
	<u>5,382</u>	<u>946</u>	<u>6,338</u>

26 CONTINGENT LIABILITIES

During the period of the funding agreement between the DMAT and the Secretary of State, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the DMAT is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the DMAT serving notice, the DMAT is obliged to repay to the Secretary of State sums determined by reference to:

- the value at that time of the DMAT's sites and premises and other assets held for the purpose of the DMAT; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

27 MEMBERS' LIABILITY

Each member of the DMAT undertakes to contribute to its assets in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

28 PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Warwickshire County Council Pension Fund and West Midlands Pension Fund. Both are defined multi employer benefit schemes.

As described in note 30 the LGPS obligation relates to the employees of the DMAT, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the multi academy trust at the balance sheet date.

The total pension cost to the DMAT during the year ended 31 August 2020 was £4,564,000 (2019: £3,512,000) of which £1,841,000 (2019: £1,257,000) relates to the TPS and £2,723,000 (2019: £2,255,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £339,000 were payable to the schemes at 31 August 2020 (2019: £275,000) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)**Teachers' Pension Scheme****Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employers costs paid to TPS in the period amounted to £1,841,000 (2019: £1,257,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2020 was £3,048,000 (2019: £2,568,000) of which employers contributions totalled £2,723,000 (2019: £2,255,000) and employees contributions totalled £325,000 (2019: £313,000). The agreed employers contributions for future years are 21.0% (2019: 17.6%) for Stretton Church of England Academy, 21.0% (2019: 19.6%) for St Laurence's Church of England Primary School, 21.0% (2019: 18.7%) for St Bartholomew's Church of England Academy, 23.1% (2019: 23.3%) for Queens Church of England Academy, 23.1% (2019: 23.3%) for Harris Church of England Academy, 23.1% (2019: 23.3%) for St James Church of England Academy School, 23.1% (2019: 23.3%) for St Nicolas Church of England Academy, 23.1% (2019: 23.3%) for Studley St Mary's Church of England Academy, 21.0% (2019: 20.7%) for St John's Church of England Academy, 23.1% (2019: 23.3%) for St Michael's Church of England Academy, 23.1% (2019: 23.3%) for St Oswald's Church of England Academy, 23.1% (2019: 23.3%) for Leamington Hastings Church of England Academy and 23.1% (2019: 22.8%), Leigh Church of England Academy 21.0% (2019: 20.3%), Salford Priors Church of England Academy 23.1% (2019: 20.3%), All Saints Church of England Academy 23.1% (2019: 20.3%), Burton Green Church of England Academy 23.1% (2019: 22.8%), Long Itchington Church of England Academy 23.1% (2019: 23.3%) and South St James Church of England Academy 23.1% (2019: 23.3%). For The Diocese of Coventry Administration Centre the agreed contributions for employees are 5.5% - 12% (2019: 5.5% - 12%).

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Principal Actuarial Assumptions

The major assumptions used by the actuary were:	At 31 August 2020 % per annum	At 31 August 2019 % per annum
Discount rate	1.7%	1.8%
Salary increases	3.1%	3.1%
Pension increase	2.3%	2.3%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2020 Approx Change to Employers Liability £'000	At 31 August 2019 Approx Change to Employers £'000
Discount rate reduced by 0.5% per annum	3,963	3,450
Salary increase by 0.5% per annum	340	472
Pension rate increase by 0.5% per annum	3,571	2,928

The mortality assumptions used were as follows:

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2020 years	At 31 August 2019 years
Longevity at age 65 retiring today		
- Men	21.7	21.3
- Women	24.0	23.5
Longevity at age 65 retiring in 20 years		
- Men	22.8	22.5
- Women	25.6	25.0

The DMAT's share of the assets in the scheme were:

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equity instruments	9,168	8,381
Debt instruments	3,516	3,259
Property	1,825	1,556
Cash	473	214
Other	526	376
Total market value of assets	15,508	13,786
Present value of scheme liabilities		
- Funded	(15,508)	(13,786)
- Unfunded	(16,648)	(14,101)
Total liabilities	(32,156)	(27,887)
Deficit in the scheme	(16,648)	(14,101)

The actual return on the scheme assets in the year was £167,000 (2019: £780,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Amounts recognised in the Statement of Financial Activities

	2020	2019
	£'000	£'000
Current service cost	2,459	1,755
Past service cost	-	236
Interest income	(268)	(342)
Interest cost	532	606
Total operating charge	2,723	2,255

	2020	2019
	£'000	£'000
Changes in deficit during the year		
Balance at 1 September 2019	14,101	9,162
Balance at admission date	-	431
Movement in year:		
- Employer service cost (net of employee contributions)	2,459	1,991
- Employer contributions	(1,526)	(1,073)
- Expected return on scheme assets	(268)	(342)
- Interest cost	532	606
- Actuarial losses	1,350	3,326
Deficit in the scheme at 31 August 2020	16,648	14,101

	2020	2019
	£'000	£'000
Changes in the present value of defined benefit obligations were as follows:		
Balance at 1 September 2019	27,887	20,314
Scheme liabilities at admission date	-	1,039
Past service cost	-	236
Current service cost	2,459	1,755
Interest cost	532	606
Contributions by scheme participants	325	313
Benefits paid	(211)	(133)
Actuarial losses	1,164	3,757
Scheme liabilities at 31 August 2020	32,156	27,887

	2020	2019
	£'000	£'000
Changes in the fair value of the DMAT's share of scheme assets:		
Balance at 1 September 2019	13,786	11,152
Fair value of scheme assets at admission date	-	608
Expected return on scheme assets	268	342
Actuarial (losses)/gains	(186)	431
Contributions by employer	1,526	1,073
Benefits paid	(211)	(133)
Contributions by scheme participants	325	313
Fair value of scheme assets at 31 August 2020	15,508	13,786

The estimated value of employer contributions for the year ended 31 August 2021 is £1,376,000 (2020: £1,162,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

29 RELATED PARTY TRANSACTIONS

Owing to the nature of the DMAT's operations and the composition of the board of directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have an interest. All transactions involving such organisations are conducted at arm's length, comply with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions and are in accordance with the requirements of the Academies Financial Handbook, apart from notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required.

Mrs R Marlow (Director of the DMAT board) is a director of the Diocesan Board of Education (DBE), the sponsoring organisation of the DMAT. The DMAT buys services from the DBE as part of a service level agreement. Transactions during the year totalled £37,597 (2019: £34,985) and the balance outstanding at 31 August 2020 was £4,320 (2019: £1,920). Sales were also made totalling £167 (2019: £Nil) and the balance outstanding at 31 August was £Nil (2019: £Nil).

Mrs R Marlow (Director of the DMAT board) is Chair of the Charity Together for Change and the academies St Bartholomew's, St Laurence and Stretton Church of England Academy purchase services from the Charity. Transactions for the year totalled £47,296 (2019: £7,628) and there was a balance outstanding of £3,009 (2019: £Nil) at 31 August 2020.

Mrs P Whitfield (Chair of the DMAT board) is a governor of Lawrence Sheriff School Academy Trust. During the year services were purchased totalling £124 (2019: £Nil) and there was a balance outstanding of £Nil at 31 August 2020.

Mr R Medwell (Director of the DMAT board) is a trustee of Culture Coventry Trust. During the year services were purchased totalling £1,022 (2019: £Nil) and there was a balance outstanding of £Nil at 31 August 2020.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

30 CONVERSION TO AN ACADEMY TRUST

On 1 October 2018 the Long Itchington Church of England Academy converted to Academy status under the Academies Act 2010. On 1 October 2018 Southam St James Church of England Academy converted to Academy status under the Academies Act 2010. All the operations and assets and liabilities were transferred to the DMAT from Warwickshire County Council for nil consideration.

The transfers have been accounted for as a combination that is in subsistence a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/(loss) in the Statement of Financial Activities as donations transferred from local authority on conversion.

The following tables sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

Long Itchington Church of England Academy	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	2,950	2,950
Budget surplus on LA funds	84	-	-	84
LGPS pension deficit	-	(156)	-	(156)
Net assets/(liabilities)	84	(156)	2,950	2,878

The above net assets/liabilities include £84,000 that were transferred as cash.

From 1 October 2018, during the year, the leasehold land and buildings were transferred on a 125 year lease at a peppercorn rent from Warwickshire County Council to the DMAT.

Southam St James Church of England Academy	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	2,250	2,250
Budget surplus on LA funds	89	-	-	89
LGPS pension deficit	-	(275)	-	(275)
Net assets/(liabilities)	89	(275)	2,250	2,064

The above net assets/liabilities include £89,000 that were transferred as cash.

From 1 October 2018, during the year, the leasehold land and buildings were transferred on a 125 year lease at a peppercorn rent from Warwickshire County Council to the DMAT.

31 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.